

Bulletin



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No. AB-35

March 7, 2002

TO: Maryland Wine and Distilled Spirits Wholesalers

SUBJECT: Report of Monthly Acquisitions

As you know, you are required to file Form COM/ATTD-034 on the 10th of each month following the report month. This form, with all supporting schedules, constitutes your monthly tax return. One of the required schedules is Schedule D-2, which supports the entry on line 18 of Form COM/ATTD-034 — “Received from dealers outside Maryland”.

It has come to our attention that Schedule D-2's are not, in all cases, being completed properly and that some information provided is not adequate for our staff to verify that you are receiving product from legitimate sources. With the exception of product invoiced direct from a foreign source (i.e. self import), you may only receive product from licensed non-resident dealers or, in isolated instances, from other licensed wholesalers or manufacturers. We have discovered situations where the non-resident dealer is invoicing in a name, trade name, and/or address other than what is shown on their actual permit or where a wholesaler is listing an incomplete or inaccurate name on Schedule D-2. In either case, we are unable to properly verify the legality of the acquisition.

A separate non-resident dealer permit is required for each name, trade name (if applicable), and/or address in which alcoholic beverages are invoiced to Maryland wholesalers. Therefore, some suppliers may be required to hold multiple permits. We have notified all current non-resident dealer permit holders of this requirement by separate notice (copy attached for your information).

Conversely, wholesalers are required to assure that those persons they do business with hold the requisite permit. A list of all persons holding any type of license or permit issued by this office can be found on our website at <https://interactive.marylandtaxes.com/licprt/> and is updated daily. You have the responsibility of ensuring that you are receiving product only from licensed sources (except for self imports invoiced from foreign locations) and that the name, trade name, and address on your invoice is an identical match with that on the non-resident dealer permit, as reflected on the license/permit database.

A recent review of Schedule D-2's through audits, investigations, and office examinations has reflected a trend that makes it difficult for us to verify the legality of all acquisitions. We have noted that some wholesalers provide inaccurate and/or incomplete information on the schedule. To assure proper reporting, please note the following procedures when completing future D-2 schedules:

- In Column 2, list the actual non-resident dealer invoice number. Do not list your purchase order or other reference number.
- In Column 3, you must list the name, trade name (where applicable), city and state of the entity from whom you are receiving product. For example: *ABC Company Inc., t/a XYZ Winery, Somewhere, California*. Underneath the name

and address, list the non-resident dealer permit number of this entity, as shown on the active permit database. (When our forms are revised, we will include a separate column for the non-resident dealer permit number; for now, list this information under the name and address.)

- If product is invoiced from a foreign source, show the name and country of origin. Underneath in parentheses place the word “self import”.

You are reminded that you have an obligation under Section 2-301(b)(1) of Article 2B of the Annotated Code of Maryland to assure that you only receive product from legitimate sources. If you receive product from a person that does not hold a non-resident dealer permit (or other authorized source), this is a violation on your part. If you are invoiced by someone you believe to be a non-resident dealer, but the name, trade name, and/or address does not match that found on the permit database, then mail or fax a copy of that invoice with a brief explanation letter to Ms. Linda Bates of this office, so that we may investigate and correct any discrepancies. Failure to do so could result in a charge of your receiving product from a non-licensed entity.

Your cooperation in this matter is appreciated. If you have any questions pertaining to the proper completion of Schedule D-2's, or any other matter covered by this bulletin, please contact Ms. Christie Mattox at 410-260-7312 or Ms. Denise Davis at 410-260-7321.

Charles W. Ehart, DPA
Director
Alcohol and Tobacco Tax Division